



# AIR-6.0 Logistics & Industrial Operations

**13 NOV 2014**

*Presented to:*

**Long Range Acquisition Forecast  
Industry Day**

*Presented by:*

**Todd Balazs (SES)**

Deputy Assistant Commander for Logistics & Industrial Operations



# Overall Strategy

## CNO's Sailing Directions

**MISSION** Our core responsibilities

Defeat aggression and, if deterrence fails, win our Nation's wars. Employ the global reach and persistent presence of forward-stationed and rotational forces to secure the Nation from direct attack, assure joint operational access and retain global freedom of action. With global partners, protect the maritime freedom that is the basis for global prosperity. Foster and sustain cooperative relationships with an expanding set of allies and international partners to enhance global security.

**PRIORITIES** The enduring responsibilities of each CNO

- ◆ Remain ready to meet current challenges, today
- ◆ Build a relevant and capable future force
- ◆ Enable and support our Sailors, Navy Civilians and their Families

**VISION** Navy's contribution and characteristics over the next 10-15 years

The U.S. Navy will remain critical to our national security and our economic prosperity.

- ◆ The Navy will continue to be at the front line of our nation's efforts in war and peace with a proud heritage of success in battle on, above, and below the sea.
- ◆ The Navy will continue protecting the interconnected systems of trade, information, and security that underpin American prosperity.

- Warfighter First
- Operate Forward
- Be Ready



## NAVAIR Commander's Intent Sept. 24, 2012

while building capability for tomorrow, provide options to deter, influence and win in an era of uncertainty, and harness the teamwork, talent and imagination of our diverse forces to be ready and employ our nation's resources responsibly. Achieving these objectives will not be easy given current economic realities, the rapid pace of technological advancement, and global instability fueled by terrorism, rogue nations and China's rising economic and military influence. The stakes are high, and our Navy must be ready.

NAVAIR has always risen to the challenge and shaped a trail for others to follow. We will continue to lead from the front, delivering the capabilities our Navy and Marine Corps need to preserve the peace and, when necessary, fight and win.

### FOCUS AREAS

While our mission remains unchanged, the way we deliver capabilities must adapt and improve to meet today's fiscal, technological and operational realities. Our solutions must be delivered with increased agility and speed, be fully integrated and interoperable with other systems to create needed warfighting capabilities, and be affordable to develop, own and operate over time. We are making real progress in many of these areas. Working together, we will build on our successes and accelerate results in the areas that matter most to our Warfighters. We will:

1. **Increase Speed to the Fleet** through program of record planning and execution and rapid response to urgent warfighter needs.
2. **Consistently Deliver Integrated & Interoperable Warfighting Capabilities** (platforms, sensors and weapons operating seamlessly in a systems of systems environment) that produce an immediate and sustainable increase in warfighting effectiveness, and
3. **Improve Affordability** by reducing operating and sustainment costs for fielded systems and implementing life-cycle cost reduction initiatives as part of new systems development.

### ENABLERS

The foundation for NAVAIR's success is a combination of key enablers: *leadership, workforce, technology and infrastructure*. Leadership is an acquired skill, not just a position, and we need to cultivate and develop it in every member of our workforce. The technical and business excellence our diverse workforce brings to the table is at the heart of everything we do. Diversity, inclusion and respect underpin creativity and innovation. Investments in technology, new knowledge-skills, and infrastructure (e.g., jobs and ranges) are essential to maintaining our technological edge and will enable the Warfighter to respond faster than threats. Deliberate, balanced investments in each of these areas will strengthen NAVAIR's mission capability and ensure our future relevance.

### VALUES

Our values are defined by the way we work, how we communicate and learn from each other, and the behaviors we expect and reward. These values establish the orientation and approach we will need to overcome obstacles, seize opportunities, and achieve our goals.

- People
- I&I
- Affordability

## NAVAIR's Top Nine

- 1. Prepare Our People for the Future ----- future skills / training / collaboration tools
- 2. Integrated Warfighting Capability (IWC) ----- lead capability integrator / LVC simulation / rapid response
- 3. Cost-Wise Readiness ----- balanced investments / reduce sustainment costs
- 4. Cyber Awareness & Capability ----- resilient networks & platforms / cyber awareness / skills & capabilities
- 5. Rapid Response (AIRWorks) ----- rapid prototyping / experimentation / low-volume production
- 6. Best Practices ----- implement / capture & communicate / replicate
- 7. NAVAIR's Additive Manufacturing Capability ----- rapid production & fielding / lighter, stronger parts
- 8. Business of the Business ----- simplify work / reduce manual transactions / improve decision support
- 9. Full Asset Accountability ----- physical & financial accountability of all property

## 6.0 Strategic Framework





# Mission



**Provide the resources to develop, plan, and integrate logistics support considerations into weapon system designs and establish and maintain integrated logistics support capable of sustaining Fleet operations and maintenance throughout the full life cycle aviation weapon systems and related equipment at an affordable cost.**



# AIR-6.0 Organization (National Leads)



**6.0**

**ASSISTANT COMMANDER  
FOR LOGISTICS & INDUSTRIAL OPERATIONS GROUP  
RDML PAUL A. SOHL**

**6.0 JSF**

**DIRECTOR,  
LOGISTICS & SUSTAINMENT**



**TODD MELLON**

**6.0A**

**DEP ASST COMMANDER –  
LOG & INDUSTRY OPS**



**TODD BALAZS**

**6.0B**

**EXEC DIRECTOR –  
LOG & INDUSTRY OPS**

**CAPT BOB FARMER**

**6.0N**

**NAE EXECUTIVE  
DIRECTOR**

**JOHN  
ALTMARE**

**6.0T**

**EXECUTIVE  
OPERATIONS –  
LOG & INDUSTRY  
OPS**

**MIKE OVERS**

**6.0C**

**LOGISTICS &  
INDUSTRIAL  
STAFF OFFICE**

**VIC CRONAUER**

**AIR 6.0  
SITE LEADS**

**NATEC**

**NAWCAD 6.0**

**NAWCAD (PAX)**

**NAWCAD (LKE)**

**NAWCAD (ORL)**

**NAWCWD**

**FRC - E**

**FRC - SE**

**FRC - SW**

**6.0D**

**DIRECTOR OF INDUSTRIAL OPERATIONS  
DENNIS WEST**



**6.1**

**BUSINESS  
OPERATIONS DEPT**

**6.2**

**INDUSTRIAL  
EXECUTION DEPT**

**6.3**

**INDUSTRIAL  
OPERATIONS MGMT  
DEPT**

**6.4**

**INDUSTRIAL  
QUALITY DEPT**

6.1.1  
CAPABILITY & CAPACITY MGMT

6.1.2  
STRATEGIC PLANNING

6.1.3  
ACQUISITION & PROCUREMENT

6.2.1  
PRODUCTION TRADES

6.2.2  
WORKLOAD SCOPE  
DETERMINATION

6.2.3  
PROJECT EXECUTION

6.3.1  
PRODUCTION PLANNING

6.3.2  
PRODUCTION ACT CONTROL

6.3.3  
INDUSTRIAL PLANT SERVICES

6.3.4  
CONTINUOUS PROCESS  
IMPROVEMENT

6.3.5  
INDUSTRY ENVIRONMENTAL

6.4.1  
QUALITY MANAGEMENT

6.4.2  
QUALITY PROGRAMS

6.4.3  
QUALITY PLANNING/SUST

**6.6**

**LOGISTICS  
MANAGEMENT  
INTEGRATION DEPT**



**TONI MEIER CAPT SCHNEIDER**

6.6.1 (A)  
6.6.1 (B)  
APEO(A)-L ASW/ASSAULT/SPEC MSN PROG

6.6.2 (A)  
6.6.2 (B)  
APEO(T)-L TACTICAL AIRCRAFT PROG

6.6.3 (U)  
6.6.3 (W)  
APEO(UW)-L STRIKE WPNS & UAV AVN PROG

6.6.4  
APEO(1.0)-L PROG MGMT

6.6.5  
APEO(JSF) - L

6.6F  
DOL, INTERNATIONAL PROG OFC

**6.7**

**INDUSTRIAL & LOGISTICS  
MAINTENANCE PLANNING/  
SUSTAINMENT DEPT**



**TRACY MORAN CAPT RANKIN**

6.7.1  
DESIGN INTERFACE/MAINT PLNG

6.7.2  
MAINT & SUPPLY INTEGRATION

6.7.3  
MAINT SCHEDULING & MGMT

6.7.4  
INTEGRATED WARFIGHTER SUPT SVC

6.7.5  
TRAINING/TRAINING SUPT

6.7.6  
SUPPORT EQUIPMENT

6.7.7  
INDUSTRIAL BUSINESS OPS

**6.8**

**AVIATION READINESS &  
RESOURCE ANALYSIS DEPT**



**VACANT CAPT SCHOCH**

6.8.1  
AVIATION RESOURCES

6.8.2  
AVIATION & MAINT READINESS ANALYSIS

6.8.3  
TOTAL ASSET VISIBILITY (TAV)

6.8.4  
LOG & MAINT INFO SYSTEMS &  
TECHNOLOGY

6.8.5  
LOG PRODUCT DATA





# Overview



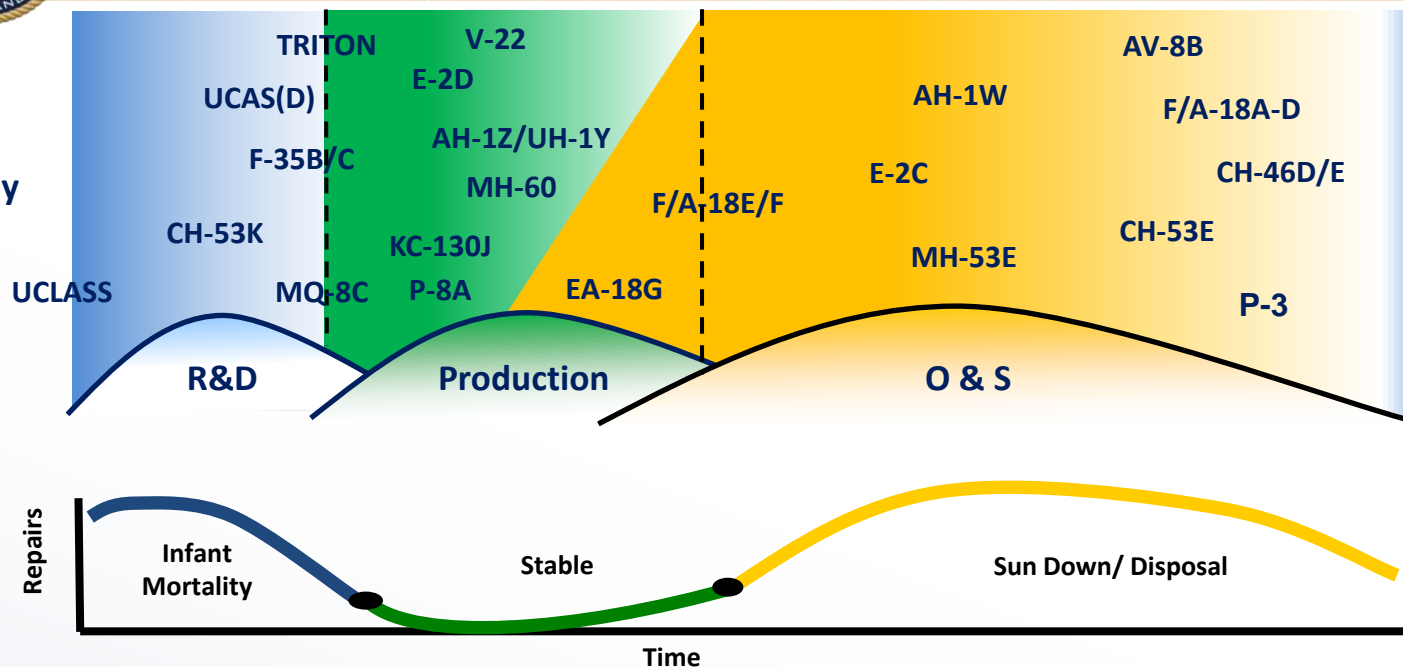
- **\$3.5 Billion/Year**
- **11,200 (Civ/Mil/CSS)**
- **100 Type/Model/Series**
- **4,000 Aircraft**
- **60,000 Flights/Month**
- **28 Different Types of Engines**
- **8,500 Engine Supported**
- **700,000 Items of Support Equipment**
- **16,843 Technical Manuals**
- **1465 Contract Actions/5 Years**





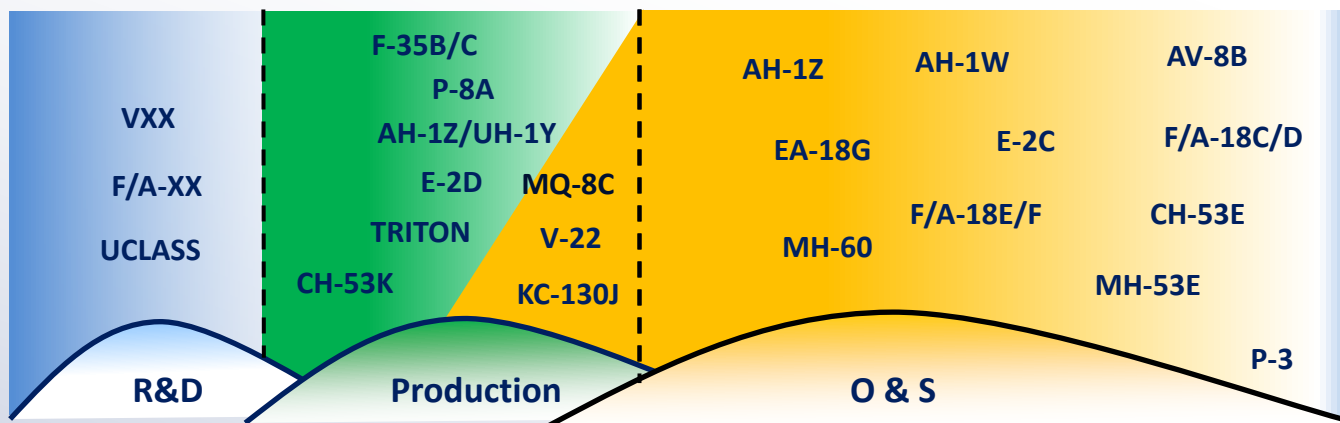
# Naval Aviation Transition

Today



- New products arriving while sustainment of classic aircraft continues
  - Extending airframe life limits beyond original design
  - Obsolescence
  - Unique Architectures

Future



- Dynamic and complex battlespace environment requires integrated and interoperable platforms, and "netted" sensors, systems, and weapons
  - Maintenance and logistics requirements
  - Open Architectures
  - Integrated Weapons Systems
  - Rapid Acquisitions
  - More Lead System Integrator (LSI)

Manage Associated Challenges

Current as of November 2014



# Macro Environment



## Fleet

- Aircraft life being extended
- OOR aircraft in fleet increasing
- Cross decking increasing
- New aircraft cost more to sustain than existing ones
- Increasing smart aircrafts
- Changing maintenance strategies

## Industrial Base

- Draw down in aircraft being procured
- Aircraft level PBLs moving to a traditional approach
- Shifts in business mix and portfolio
- Loss of institutional knowledge

## What does this mean for AIR-6.0

- Focused & deliberate workforce development
- Focused on basics, simplify & speed up knowledge management
- Develop enterprise solutions to achieve cost & readiness requirements



# Planned FY15 Contractual Obligations/Targets



## AIR-6.0 Planned Obligations Summary

**Total Obligations**

**\$487.0M**

**Small Business Obligations**

**\$173.7M**

## NAVAIR Planned Obligations Summary

**Total Obligations**

**\$24,607.6M**

**Small Business Obligations**

**\$1,082.3M**





# Big Initiatives



**Data Analytics, Integrated Logistics Support Management System**



**Sustainment Tool Sets**



**Additive Manufacturing**



**Workforce Development**



**Digital Thread**



**Knowledge Management**



**Operating Materials & Supplies**



**Cyber**



# Sample Opportunities



- **6.1-6.4**
  - Depot Level Maintenance Contract for FRCSW San Diego (FY16) Follow on Estimated Value, based on a 5-year contract: \$165M
    - Expected RFP: May of 2015.
- **6.6**
  - National MAC Multi-Award Contract (MAC), Logistics Management Support (LMS) services, projected \$160M (for a base and four option years)
    - Exploring 8 year POP
    - Projected release RFP date 30 Nov 2015, projected award date of 22 Oct 2016
- **6.7**
  - Manpower, Personnel, and Training Requirements and Analysis and Design Products, including Navy Training Systems Plans and various types of training front-end analysis reports
    - Contract Ceiling: \$25M, Expected Award Mid To Late 2QTRFY15
  - National Indefinite Delivery Indefinite Quantity (IDIQ) Contract For Industrial And Logistics Maintenance Planning/Sustainment Including Logistics And Technical Support Services In The Areas Of Planning, Analysis, Development, Training, Support Equipment Management, Facilities And Execution For AIR-6.7
    - Projected RFP release date 30 June 2015, projected award date of 1 July 2016



# Sample Opportunities (Cont.)



## ■ 6.8

- PASS (Program and Systems Support): Multi-Award Contract (MAC) For Program And Systems Support Services (E.G., Logistics Support, Program Management, Financial Management, Engineering, Test & Evaluation, Information Technology, Business Improvement/ Analytics, Modeling & Simulation)
  - Projected Contract Value \$495M, RFP Has Been Issued, Planned Award Date 3rd QTR FY15
- PASS SB (Program and Systems Support Small Business): Small Business Multi-Award Contract (MAC) For Program And Support Services (E.G., Logistics Support, Program Management, Financial Management, Engineering, Information Technology)
  - Projected contract value \$495M, Draft RFQ Has Been Issued, Planned Award Date 4th QTR FY15



# Summary



- **Naval Aviation is transitioning to a production/sustainment phase**
- **NAVAIR logistics pursuing eight key areas to provide required readiness at an affordable costs**
- **About a third of the FY15 obligations are planned for small business**